

COMPUTER MATCHING AGREEMENT

BETWEEN

THE DEPARTMENT OF VETERANS AFFAIRS

AND

THE STATE PUBLIC ASSISTANCE AGENCIES (SPAAs)

LISTED IN ATTACHMENT A

I. PURPOSE, LEGAL AUTHORITY AND DEFINITIONS

A. Purpose of the Matching Agreement

This agreement establishes an arrangement for a periodic computer matching program between the Department of Veterans Affairs (VA) as the source agency and the State Public Assistance Agencies (SPAAs) as the recipient agencies who will use the data in their public assistance programs, and the Administration for Children and Families (ACF), Department of Health and Human Services (HHS) as the facilitating agency.

The purpose of this matching program is to provide the SPAAs with data from VA benefit and compensation files to determine eligibility and ensure fair and equitable treatment in the delivery of benefits attributable to funds provided by the Federal Government.

ACF, in its role as match facilitator, will support each SPAA's efforts to ensure appropriate delivery of benefits by assisting with drafting the necessary agreements, helping arrange signatures to the agreements, arranging computer support services to implement the SPAA matches with VA data, acting as a central shipping point, and publishing a public notice of the match in the Federal Register following Office of Management and Budget (OMB) guidelines. Pursuant to the Privacy Act, 5 U.S. C. 552a (a)(7), disclosures in connection with this match are conducted pursuant to a published routine use as described in Section II. A., of this agreement.

To accomplish this match, the SPAAs will provide a file of Medicaid (CMS), Temporary Assistance to Needy Families (TANF), general assistance and Food Stamp clients. VA will provide a file of individuals receiving VA compensation and pension benefits. The Defense Manpower Data Center (DMDC), which provides computer support services for ACF, will match the SPAAs' files with the VA files. The SPAAs will then use the VA information to verify client circumstances for benefit eligibility and to initiate any adverse action when appropriate.

This agreement sets forth the responsibility of the SPAAs with respect to information obtained pursuant to this agreement. Each SPAA match is expected to comply with pertinent requirements under the Privacy Act, 5 U.S.C. 552a, as amended, and with the regulations promulgated hereunder, including computer matching portions of a revised ((OMB) Circular No. A-130, 65 FR 77677, December 12, 2000) and this agreement.

B. Legal Authority

The legal authority for this match is section 402(a) (6) of the Social Security Act, 42 USC 602(a) (6).

C. Definitions

1. **“ACF”** is the Administration for Children and Families, part of the Department of Health and Human Services and the facilitating agency
2. **“CMS”** is the Centers for Medicare and Medicaid Services and is responsible for promulgating policies and administering all Medicare claims.
3. **“DIB”** is the Data Integrity Board
4. **“DMDC”** is the Defense Manpower Data Center, part of the DOD.
5. **“DOD”** is the Department of Defense.
6. **“DISCLOSE” AND “DISCLOSURE”** is the release of information or data, with or without the consent of the individual or individuals to whom the data pertain.
7. **“FNS”** is the Food and Nutrition Service, part of the Department of Agriculture.
8. **“FACILITATING AGENCY”** is the Administration for Children and Families, part of the Department of Health and Human Services.
9. **“HHS”** is the Department of Health and Human Services
10. **“OMB”** is the Office of Management and Budget.
11. **“PARIS”** is the Public Assistance Reporting Information System.
12. **“RECIPIENT AGENCIES”** as defined by the Privacy Act (5 U.S.C. 552a (a)(9)), are State Public Assistance Agencies, the agencies receiving the results of the computer match.
13. **“SPAAs”** are the State Public Assistance Agencies cited in Attachment A.
The number of SPAAs may increase during the agreement as more States join the program.
14. **“SSN”** is the Social Security number.

15. “SOURCE AGENCY” as defined by the Privacy Act, (5 U.S.C. 552a (a)(11)), is the Department of Veterans Affairs, the agency disclosing the records for the purpose of a computer match.

16. “TANF” is the Temporary Assistance for Needy Families program.

17. “VA” is the Department of Veterans Affairs

II. JUSTIFICATION AND EXPECTED RESULTS

A. Justification

To be eligible for Federal funds under Title IV of the Social Security Act, States are required under Section 402 of the Act to have objective criteria for the delivery of benefits and the determination of eligibility and for fair and equitable treatment, including how a State will provide opportunities for recipients who have been adversely affected to be heard in a State administrative appeal process. VA will disclose information from the system of records identified as "Compensation, Pension, Education and Rehabilitation Records" - VA (58 VA 21/22) first published at 41 FR 9294 (March 3, 1976), and last amended at 70 FR 34186 (June 13, 2005), with other amendments as cited therein. The Privacy Act allows Federal agencies to make disclosures to entities such as states pursuant to published routine uses, and routine use number 26 in the Department of Veterans Affairs system of records for Compensation, Pension, Education and Rehabilitation Records allows identifying and payment information to be disclosed, upon request of a Federal agency, to a State or local government agency, to determine a beneficiary's eligibility under programs provided for under Federal legislation and for which the requesting Federal agency has responsibility. This computer match will be considered and defined as at the request of a Federal agency. The states verify client circumstances when determining eligibility for public assistance benefits. The most cost-effective and efficient way to verify client declarations of income circumstances is by means of a computer match.

B. Expected Results

It is expected that the Federal agencies will, by conducting the matches on an ongoing basis, obtain an improved ability to ensure the accuracy of benefits to recipients. The programs impacted are primarily under the auspices of the Department of Health and Human Services, (principally CMS' Medicaid and ACF's TANF programs) and the Department of Agriculture's Food Stamp Program administered by its FNS.. The SPAAs agree to collect information on the costs and benefits related to the use of the VA information.

GAO in their report PARIS PROJECT CAN HELP STATES REDUCE IMPROPER PAYMENT BENEFIT PAYMENTS, projects that if States include TANF, Medicaid and Food Stamp activities in their matching activities, the gross savings will

result in a savings to cost ratio of 11:1 (GAO 01-935, pp. 14, 15). All savings are in program dollars, since there is no cost paid to either ACF or DMDC to participate in the match program.

As a further example, illustrating GAO's findings, the Pennsylvania Department of Human Services reported a yearly savings for calendar year 2005 of \$3,265,951 and an internal staff and computer support cost to operate the program of \$191,193. The resulting benefit-to-cost ratio for the year was 17:1. Pennsylvania further reports a total savings from 1998-2005 of \$21,777,906. Further detailed analysis is provided in the PARIS Cost-Benefit Analysis, Attachment C.

III. RECORDS DESCRIPTION

A. System of Records

The Department of Veterans Affairs, as the source agency, will provide the DMDC with a file, which contains the VA benefit record data of individual VA benefit and compensation recipients. VA will disclose information from the system of records identified as "Compensation, Pension, Education and Rehabilitation Records" - VA (58 VA 21/22) first published at 41 FR 9294 (March 3, 1976), and last amended at 70 FR 34186 (June 13, 2005), with other amendments as cited therein. The routine use provision is compatible with the purpose for which the information was collected and reflects that disclosures are subject to computer matching.

VA's routine use for this match is published as number 26 in the attached notice (Attachment B), which is from the Privacy Act Online via GPO Access (wais.access.gpo.gov).

Each participating SPAA will send ACF an electronic file of eligible public assistance client information. These files are non-Federal computer records maintained by the States. ACF will then send this information to DMDC. In the alternative, participating SPAAs can submit files to DMDC via the Social Security Administration's (SSA) "Connect Direct" portal. After DMDC receives the SPAA files, it will match the VA files against the SPAA files. This activity will take place at DMDC and will use all nine digits of the SSN. The DMDC will then send information from the VA compensation and benefit record for all matching records either (1) to ACF which in turn, sends this information on to the SPAAs or (2) to the SPAAs via the SSA portal. (Neither ACF nor DMDC will maintain any information used or resulting in the matching activity; therefore neither agency will establish a Privacy Act system of records in connection with this match.)

The SPAAs will be responsible for verifying VA compensation and benefit record information, through contact with State clients, prior to making a determination of eligibility for public assistance.

B. Number of Records Involved

According to PARIS statistical records for 2005, the SPAAs submitted approximately 58,887,867 client records; the VA submitted approximately 18,009,021 records.

C. Specified Data Elements Used in the Match

Data elements to be included can be found in Attachment C.

D. Frequency of Data Exchanges

The matching program is expected to begin in June 2006 and expire in December 2007. States may participate at their option on a quarterly basis - February, May, August & November) for this match program. Using this approach, States shall submit a signed Model Agreement in order to participate in the PARIS VA Match. PARIS has run on a quarterly basis since 1999 and dates are established each year as to when the matching process will be conducted. When each quarterly match arrives during the duration of the matching program, Member States may have the option to participate in a particular match. This approach enables States to operate more effectively depending on how they are organized and how much funding they have to dedicate to the project.

E. Projected Start and Completion Dates

The agreement shall expire 18 months after its effective date. The agreement is expected to begin in June 2006 and expire December 2007. It is expected that the match will be run six times for each of the SPAAs during the duration of the agreement. The agency DIB may, within 3 months prior to the expiration of this agreement, renew this agreement for a period not to exceed 12 months on a showing to such boards that the matching program has been conducted in compliance with the original agreement and the program will be conducted without change.

IV. NOTICE PROCEDURES

VA and the SPAAs agree to notify all individuals who apply for benefits that the information provided on the application is subject to computer matches with other agencies. The SPAAs will provide notice consisting of appropriate language printed on their application forms or separate handouts with appropriate language when necessary.

The SPAAs will provide subsequent notice to their respective recipients by notifying each recipient at the time of redetermination of eligibility of the match between VA and the SPAAs. VA sends all beneficiaries a notice, as part of an annual beneficiary notice that information provided is subject to verification by computer matching.

V. VERIFICATION PROCEDURES AND OPPORTUNITY TO CONTEST FINDINGS

A. Verification Procedure

Whenever there is a discrepancy between the matching information and the information reported for the individual veteran, the SPAA will verify the match information by sending a letter informing the individual of the information received and asking him or her to respond within 30 days. The letter will clearly explain the information the agency has, its relevance to the individual's eligibility or benefit, and what action the agency will take in the event the individual fails to respond to the letter.

B. Opportunity to Contest Findings

If the SPAA intends to reduce, suspend, terminate or deny benefits as the result of information provided by this match, the SPAA must provide proper notice and the opportunity to contest at a fair hearing in accordance with 42 CFR 431.200-250 for the Medicaid program, 7 CFR 273.15 for the Food Stamp program and State established procedures for the TANF program.

VI DISPOSITION OF MATCHED ITEMS

The SPAAs will retain all identifiable records resulting from the match for the period of time required for any processing related to the matching program. The SPAA will destroy all individually-identified records at the completion of each quarterly matching period, except for those records that must be retained in the individual's permanent case file in order to meet evidentiary requirements.

VII SECURITY PROCEDURES

The data will be used in a manner prescribed by law and will maintain proper safeguards to prevent unauthorized release or use of all data supplied. These safeguards include:

VA and the SPAAs will safeguard individual records as required by the Privacy Act and OMB Computer Matching guidelines. Access to the records matched and to any records created by the match will be restricted to only those authorized employees and officials who need it to perform their official duties in connection with the uses of the information authorized in this agreement.

All personnel who have access to the records matched and the records created by the match will be advised of the confidential nature of the records, the safeguards required to protect the records and the civil sanctions for noncompliance contained in the appropriate Federal Statutes.

The records matched and any records created by the match will be stored in an area that is physically safe from access by unauthorized persons during duty hours as well as non-duty hours or when not in use.

The records matched and any records created by the match will be processed under the immediate supervision and control of authorized personnel in a manner which will protect the confidentiality of the records, and in such a manner that unauthorized persons cannot retrieve any such records by means of computer, remote terminal or other means.

VA reserves the right to make on-site inspections or to make other provisions for auditing compliance with the terms of this agreement, e.g., recurring self audits by the recipient agency to ensure that adequate safeguards are being maintained. The SPAAs will ensure that the records matched, and the records created by the match, will be transported under appropriate safeguards, and will not allow remote terminal access to the information being transferred under the terms of this agreement. The VA Data Integrity Board reserves the right to monitor compliance of systems security requirements during the lifetime of the agreement or its extension period.

VIII. RECORDS USAGE/DUPLICATION/REDISCLASURE RESTRICTIONS

A. Records Usage

The SPAAs will exclude, where State law allows, veteran's aid-and-attendance VA income of \$90 or less, when determining eligibility for Medicaid benefits. Where State law prohibits this exclusion, the SPAAs will recommend State legislation that will permit this exclusion.

B. Duplications Redisclasure Restrictions

Each agency agrees to the following limitation on access to, and disclosure and use of, electronic files, tapes, and information provided by the other agency:

That the electronic files provided as part of the matching program will remain the property of the agency furnishing the files and will be destroyed after the matching program is completed, but not more than 6 months after receipt of the electronic files. Destruction will be accomplished by shredding, burning or electronic erasure.

That the data supplied by each agency and the records created by the match will be used solely for the purposes of, and to the extent necessary in the administration of, the matching program covered by this agreement and any applicable laws.

That the files provided by each agency will not be used to extract information concerning individuals therein for any purpose not specified in the agreement.

That the files provided by each agency will not be duplicated or disseminated within or outside the agency without the written authority of the agency, which furnished the data. No agency shall give such permission unless the redisclosure is required by law or essential to the conduct of the matching program.

That information resulting from the matching program may be disclosed for follow-up and verification or for civil or criminal law enforcement investigation or prosecution if the match uncovers activity that warrants such action.

The SPAAs will not create a separate permanent file consisting of information regarding those individuals involved in the matching program covered by this agreement except as necessary to monitor the results of the matching program. States will submit and receive matching data electronically or will submit tapes through ACF which are forwarded expeditiously to DMDC. The SPAAs will retain the identifiable records (hits) resulting from the match only for the period of time required for any processing related to the matching program and will then destroy the records unless the information must be retained in individual file folders to meet evidentiary requirements. In the latter instance, SPAAs will retire identifiable records in accordance with the Federal records disposition schedule established pursuant to 44 U.S.C. 3303 or in accordance with State law or regulation. Information about individuals verified as “non-hits” (record subjects are not both Federal personnel and public assistance beneficiaries) will be destroyed immediately upon such verification.

The SPAAs will keep an accurate accounting of disclosures from an individual’s record as required by subsection (c) of the Privacy Act. This will permit record subjects to know how their personal information is being used and to enable the agency to inform past recipients of disputed or corrected information. It also provides an audit trail for any subsequent reviews of agency compliance with subsection (b) of the Privacy Act pertaining to conditions of disclosure.

If records are to be disclosed to any SPAA contractor in order to accomplish the matching program’s purpose, the SPAA will obtain the written agreement of the contractor to abide by the terms of this agreement. Federal contractors will be subject to the provisions of the Privacy Act (i.e., subsection (m), as implemented by Part 24 of the Federal Acquisition Regulation) before receiving records relating to the matching agreement.

IX. RECORDS ACCURACY STATEMENT

Based on State records received, the SPAAs’ electronic files are 82% accurate. Previous computer matches with other agencies indicate that VA records are 99% accurate.

X. COMPTROLLER GENERAL ACCESS

The Government Accountability Office (Comptroller General) of the United States may have access to any records as necessary in order to monitor or verify compliance with this agreement.

XI. REIMBURSEMENT /FUNDING

Expenses involved with the data exchange outlined above will be reciprocal and not involve any cost adjustments among the agencies. It should be noted that cost adjustments have never been made among the Federal agencies and/or the SPAAs involved. Rather, the program has been operating on a no-fee basis with ACF providing computer support to SPAAs at no cost via an agreement with DMDC.

XII. DURATION OF AGREEMENT

When this agreement is approved and signed by the Chairperson of the DIB of the Department of Veterans Affairs, ACF will submit three copies of the agreement via transmittal letter to Congress and OMB for review. The time period for review outside the agencies begins on the date of the transmittal agency. The parties to this agreement may assume Congressional concurrence if there are no comments within 40 days of the date of the transmittal letter. The 40-day period for Congressional and OMB review and the 30-day comment period for the Federal Register publication will run concurrently. The initial match may begin at the expiration of the 30 day Federal Register public comment period or the 40 day OMB review period, whichever is later. The matching notice will clearly state that the matching program is subject to review by OMB and the Congress.

At the same time this agreement is sent to the Congress and OMB, ACF will forward the public notice of the proposed matching program for publication in the Federal Register, as required by subsection (e)(12) of the Privacy Act. The matching notice will clearly identify the records systems and categories of records being used, and state that the program is subject to the review period afforded OMB and Congress. A copy of the published notice shall be provided to the other Federal agencies.

If any agency that is party to this agreement, does not want to renew this agreement, it should notify the others of its intention not to renew at least 90 days before the end of the then current time period. This agreement may be amended at any time by a written modification to this agreement that satisfies all parties, is approved by the DIB of each party, and, if necessary, is properly published in the Federal Register, with copies having been provided to the Congress and to the OMB at least 40 days before its implementation.

This agreement may be terminated at any time with the consent of all parties. Any party may terminate the agreement upon written notice to all parties, in which case the termination shall be effective 90 days after the date of the notice, or at a later date

specified in the notice, so long as such later date does not exceed either the original or the DIB extended completion date of the match.

XIII. NOT APPLICABLE

XIV. PERSONS TO CONTACT

ACF/HHS:

Mark Graboyes
Administration for Children and Families
370 L'Enfant Promenade, S. W., 6th Floor East
Washington, D. C. 20447
(202) 401-7237

VA:

Pamela Liverman
Department of Veterans Affairs
810 Vermont Avenue, N. W.
Washington, D. C 20420
(757) 858-6148, ext. 107

DMDC/DOD:

Karen Haynes
Defense Manpower Data Center
DOD Center Monterey Bay
400 Gigling Road
Seaside, California 93955-6771
831-583-2400 x 5642

XV: APPROVALS

The authorized program official, whose signature appear below, accept and expressly agree to the terms and conditions expressed herein, confirm that no verbal agreements of any kind shall be binding or recognized, and hereby commit their respective organizations to the terms of this agreement.

A. SPAA Official

_____ signed _____ Date: March 6, 2006
Estelle B. Richman, Secretary
Department of Public Welfare
Commonwealth of Pennsylvania
P.O. Box 2675
Harrisburg, PA. 17105

B. Source Agency – Department of Veterans Affairs

_____ signed _____ Date: March 29, 2006
Renée Szybala, Director
Compensation and Pension Service
Department of Veterans Affairs
810 Vermont Avenue, N. W.
Washington, D. C 20420

C. DATA INTEGRITY BOARD

The VA Data Integrity Board having reviewed this agreement and finding that it complies with applicable statutory and regulatory guidelines signify approval thereof by the signature of the official appearing below.

Loise A. Russell for _____

Date: June 6, 2006

Robert T. Howard, Chairperson
Data Integrity Board
Department of Veterans Affairs

VA ROUTINE USE – ATTACHMENT B

#.. 58VA21/22 #....System name: Compensation, Pension, Education and Rehabilitation Records-VA.

26. Identifying and payment information may be disclosed, upon the request of a Federal agency, to a State or local government agency, to determine a beneficiary's eligibility under programs provided for under Federal legislation and for which the requesting Federal agency has responsibility. These records may also be disclosed as a part of an ongoing computer matching program to accomplish these purposes. This purpose is consistent with 38 U.S.C. 3301.

From <http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?>